Yemen: Avoiding a Downward Spiral
Executive Summary

The Paper in a Nutshell

- Strategically located adjacent to both Saudi Arabia and Somalia, Yemen touches on a number of vital U.S. national security interests including access to energy supplies and the ongoing campaign against terrorism. At the moment, though, Yemen is beset by a difficult combination of interlocking challenges. Economically, it faces the rapid depletion of its limited oil resources, dwindling water supplies, and stagnant economic growth. Demographically, it has a population that is booming, undereducated, underemployed, and the poorest in the Arab world. In the security sphere, rising levels of Islamist extremism and weak central government control give rise to concerns that Yemeni territory could be used by extremists to organize, train, and carry out attacks against U.S. and allied targets. The United States has a stake in helping Yemen deal with its problems; given the country's strategic importance to American national security interests and foreign policy objectives, the cost of inaction would be too great. Failure to act now would lead to fewer and even worse options in the future.

Vital Statistics

- Yemen has a population of 23 million people today.
- Yemen's population is expected to double in the next two decades.
- 35 percent of Yemen's population is unemployed.
- 50 percent of Yemen's population is illiterate.
- With annual per capita income of under $900 per year and nearly half the population earning less than $2 per day, Yemen is the poorest country in the Arab world.
- Yemen has 1,367 miles of coastline alongside one of the world's busiest shipping lanes.
- More than 3 million barrels of oil pass off Yemen's coast every day through treacherous waters where Islamist terrorists and Somali pirates have staged several successful attacks.

Recommendations for U.S. Policymakers

- Increase U.S. foreign aid to Yemen from $27.5 million in FY 2009 to the Administration's requested level of more than $50 million for FY 2010.
- Coordinate closely with other donor states to maximize the overall impact of foreign aid.
- Take a holistic approach to Yemen. In addition to matters of security and counterterrorism, progress can and should be made through development assistance, education and technical cooperation, capacity building, institutional strengthening, and direct financial assistance.
- Support efforts to strengthen Yemen's border guard units so that the central government can better secure its national frontiers.
- Increase military-to-military training and exchanges.

About the Author: Dr. Christopher Boucek is an associate in the Carnegie Middle East Program where his research focuses on regional security challenges. He is a widely published expert on the Middle East, U.S. foreign policy, Central Asia, energy, and terrorism.

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For More Information: A full-length version of this study is available on the web at: www.carnegieendowment.org/files/yemen_downward_spiral.pdf. For additional information or to speak with one of our scholars, please do not hesitate to contact our congressional liaison, Scott Toussaint, at (202) 939-2307 or stoussaint@ceip.org.